
HOUSE BILL 1332

State of Washington 60th Legislature 2007 Regular Session

By Representatives Pettigrew, Dunn, Miloscia, Springer, McCune, Ormsby, Kenney, Roberts, Wood, Santos and Chase

Read first time 01/17/2007. Referred to Committee on Housing.

1 AN ACT Relating to affordable housing development; amending RCW
2 43.63A.510, 35.21.687, 36.34.137, 43.20A.037, 47.12.063, 47.12.064,
3 72.09.055, 43.19.19201, 79A.05.170, 79A.05.175, 79.11.005, 79.22.060,
4 and 28A.335.120; adding a new section to chapter 79A.05 RCW; adding a
5 new section to chapter 43.30 RCW; and creating a new section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) The lack of affordable housing for very low-income and low-
9 income households and special needs populations is intensified by the
10 rising cost of land and construction;

11 (b) There are publicly owned surplus land and buildings that may be
12 suitable to be marketed, sold, leased, or exchanged for the development
13 of affordable housing or housing for special needs populations; and

14 (c) Requiring certain public agencies, commissions, and local
15 governments to offer suitable surplus land and buildings at a
16 discounted price for a minimum period of time to nonprofit housing
17 organizations and eligible public entities for the purpose of
18 affordable housing development confers a valuable benefit on the public

1 that constitutes consideration for the sale of such property at a price
2 below fair market value subject to restrictions that provide continued
3 protection of the public interest.

4 (2) The legislature declares that the purpose of this act is to:

5 (a) Identify publicly owned land and buildings that may be suitable
6 for the development of affordable housing for very low-income and low-
7 income households and special needs populations;

8 (b) Provide a central inventory of state and other publicly owned
9 land and buildings that may be suitable to be marketed, sold, leased,
10 or exchanged for the development of affordable housing or housing for
11 special needs populations; and

12 (c) Facilitate the effective use of publicly owned surplus and
13 underutilized land and buildings suitable for the development of
14 affordable housing for very low-income and low-income households and
15 special needs populations by requiring that these types of surplus
16 property to certain public agencies, commissions, and local governments
17 be offered for an initial time period at a discount to nonprofit
18 housing organizations and eligible public agencies for the development
19 of affordable housing for very low-income and low-income households or
20 housing for special needs populations.

21 **Sec. 2.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read
22 as follows:

23 (1) The department shall work with the departments of natural
24 resources, transportation, social and health services, corrections, and
25 general administration, the state parks and recreation commission, and
26 cities, towns, and counties to identify and catalog under-utilized,
27 ~~((state-))~~ publicly owned land and property suitable for the
28 development of affordable housing for very low-income~~((7))~~ or low-
29 income ~~((or moderate income))~~ households. The department, and the
30 departments of natural resources, transportation, social and health
31 services, corrections, and general administration, the state parks and
32 recreation commission, and cities, towns, and counties, shall
33 ~~((provide))~~ each produce an inventory of real property that is owned or
34 administered by ~~((each))~~ the agency, commission, or local government,
35 is suitable for the development of affordable housing, and is available
36 for lease or sale. ~~((The))~~ Each inventory must contain descriptive
37 information about each property that includes, at a minimum, the

1 location, approximate size, current zoning classification, current fair
2 market value price, and contact information of the property. Updated
3 inventories (~~(shall)~~) must be provided to the department (~~(by November~~
4 1, 1993, with inventory revisions provided each November 1 thereafter))
5 as suitable surplus property becomes available for sale or lease, but
6 at least annually, beginning in September 2007.

7 (2) (~~Upon written request,~~) The department shall (~~provide a copy~~
8 ~~of~~) consolidate information from all updated inventories provided to
9 the department as required in subsection (1) of this section and shall
10 publicly advertise on its web site the consolidated inventory (~~of~~
11 state owned and publicly owned lands and buildings to parties
12 interested in developing the sites for affordable housing)). All known
13 available federal surplus property must also be included in the
14 consolidated inventory. The consolidated inventory must be updated at
15 least twice a year, and printed copies of the consolidated inventory
16 must be provided upon request.

17 (3) As used in this section:

18 (a) "Affordable housing" means residential housing that (~~is rented~~
19 ~~or owned by a person who qualifies as a very low income, low income, or~~
20 ~~moderate income household or who is from a special needs population,~~
21 ~~and whose monthly housing costs, including utilities other than~~
22 ~~telephone, do not exceed thirty percent of the household's monthly~~
23 ~~income)) has a sales price or rental amount that is within the means of~~

24 a very low-income or low-income household. The department must adopt
25 rules for determining whether homeownership and rental housing is
26 within the means of a very low-income or low-income household.

27 (b) "Very low-income household" means a single person, family, or
28 unrelated persons living together whose income is at or below fifty
29 percent of the median family income, adjusted for household size, for
30 the county where the affordable housing is located.

31 (c) "Low-income household" means a single person, family, or
32 unrelated persons living together whose income is more than fifty
33 percent but is at or below eighty percent of the median family income
34 where the affordable housing is located.

35 (d) (~~"Moderate income household" means a single person, family, or~~
36 ~~unrelated persons living together whose income is more than eighty~~
37 ~~percent but is at or below one hundred fifteen percent of the median~~
38 ~~income where the affordable housing is located.)) "Nonprofit housing~~

1 organization" means any public or private nonprofit organization that:
2 (i) Is organized under federal, state, or local laws; (ii) has no part
3 of its net earnings inuring to the benefit of any member, founder,
4 contributor, or individual; and (iii) has, among its purposes,
5 significant activities related to the provision of decent housing that
6 is affordable to very low-income or low-income households or special
7 needs populations, or both.

8 (e) "Eligible public agency" means any public agency that has,
9 among its purposes, significant activities related to the provision of
10 decent housing that is affordable to very low-income or low-income
11 households or special needs populations, or both. "Eligible public
12 agency" may include a public development authority, community renewal
13 agency, or public housing authority.

14 (f) "Housing authority" or "authority" means any of the public
15 corporations created by RCW 35.82.030.

16 (g) "Public development authority" means a public authority created
17 under RCW 35.21.730.

18 (h) "Community renewal agency" has the same meaning as in RCW
19 35.81.015.

20 (i) "Department" means the department of community, trade, and
21 economic development.

22 (j) "Director" means the director of the department of community,
23 trade, and economic development.

24 (k) "Purchasing entity" means a nonprofit housing organization or
25 eligible public entity that purchases surplus property under this
26 section.

27 (4)(a) Surplus property for sale by the department, the departments
28 of natural resources, social and health services, corrections, and
29 general administration, the state parks and recreation commission, and
30 by cities, towns, and counties, which is suitable for the development
31 of affordable housing, must be offered, for at least the first ninety
32 days after its availability for sale, exclusively to nonprofit housing
33 organizations and eligible public agencies, for the purpose of
34 developing affordable housing. Nonprofit housing organizations and
35 eligible public agencies have the right of first opportunity to
36 purchase these surplus properties at a discounted price representing
37 between ninety and one hundred percent of the fair market value, under
38 reasonable option and purchase conditions, in return for a commitment

1 to provide affordable housing or housing for special needs populations
2 for at least thirty years. The department shall develop a formula to
3 calculate discount increases in proportion to the percentage of housing
4 in the entire development that will be used for affordable housing or
5 housing for special needs populations.

6 (b)(i) Any nonprofit housing organization or eligible public agency
7 interested in purchasing surplus property described in this section
8 must present to the agency, commission, or local government that is
9 selling the property a proposed affordable housing project description,
10 including:

11 (A) The number of affordable housing units to be created and a
12 description of the income-level populations that may occupy the units;

13 (B) The number of special needs units to be created;

14 (C) The number of nonaffordable housing units to be created;

15 (D) The number, estimated square footage, and description of the
16 purpose of other facilities to be created;

17 (E) The number of years the purchasing entity intends to (I) retain
18 the affordable housing units as affordable housing or (II) retain
19 housing units for special needs populations, which must be at least
20 thirty years; and

21 (F) A proposed development schedule indicating that the development
22 will either be placed into service or be substantially completed and
23 available for occupation within five years of the date on which the
24 purchasing entity formally purchases the property.

25 (ii) The department, or individual local governments, state
26 agencies, and commissions, may establish additional requirements for
27 purchase offers by nonprofit housing organizations and eligible public
28 agencies.

29 (c) Each agency, commission, or local government subject to this
30 section must establish criteria to use if more than one nonprofit
31 housing organization or eligible public agency is interested in
32 purchasing a single piece of surplus property and presents a proposed
33 project description during the required initial offer period. The
34 criteria may give preference to nonprofit housing organizations and
35 eligible public agencies that propose to develop affordable housing or
36 housing for special needs populations that:

37 (i) Serve the lowest income populations or special needs
38 populations;

1 (ii) Create the greatest number of affordable housing units or
2 units for special needs populations;

3 (iii) Preserve the affordability of the affordable housing units or
4 commit to retain the units for special needs populations for the
5 longest periods of time;

6 (iv) Integrate or cause the provision of appropriate supportive
7 services in the proposed project description; and

8 (v) Are most likely to place affordable housing or housing for
9 special needs populations into service at the earliest date.

10 (d) If a nonprofit housing organization or an eligible public
11 entity does not present a proposed project description that meets the
12 requirements of (c) of this subsection, during the required initial
13 offer period, local governments, state agencies, and commissions may
14 consider offers from the general public. However, these entities are
15 encouraged to market surplus properties to other entities interested in
16 developing affordable housing and housing for special needs
17 populations.

18 (5) If an eligible purchasing entity purchases surplus property at
19 a discount under subsection (4)(a) of this section, and if the
20 affordable housing or housing for special needs populations is not
21 substantially completed according to the proposed project description
22 required under subsection (4)(b) of this section within five years of
23 the date the property is purchased, the purchaser must, within one
24 year, repay the state agency, commission, or local government that sold
25 the property to the purchaser the amount of the discount received, plus
26 interest at a rate to be determined annually by the department.

27 (6)(a) The department shall produce a statewide surplus property
28 housing report to be provided to the appropriate committees of the
29 legislature each year by December 31st, beginning in 2006. The report
30 must consolidate all state agency, commission, and local government
31 reports submitted under (b) of this subsection and include information
32 on all surplus property that was sold in the most recently completed
33 fiscal year. The report must include, at a minimum:

34 (i) A list of all surplus property sold;

35 (ii) The final sales price of each sale;

36 (iii) The identity of all purchasers, indicating which properties
37 were purchased by a nonprofit housing organization or eligible public

1 agency for the purpose of developing affordable housing or housing for
2 special needs populations;

3 (iv) For surplus properties not purchased by a nonprofit housing
4 organization or eligible public agency for the purpose of developing
5 affordable housing or housing for special needs populations, the
6 purpose for which the land was purchased, if known;

7 (v) For surplus properties purchased by a nonprofit organization or
8 eligible public agency for the purpose of developing affordable housing
9 or housing for special needs populations, the following information
10 must be included for each property:

11 (A) The number of affordable housing units or units for special
12 needs populations created, under development, and planned, including
13 anticipated dates of completion;

14 (B) The income level populations that may occupy the affordable
15 housing units, the number of years the affordable housing units must
16 remain affordable, and the number of years any units designated for
17 special needs populations must remain available to special needs
18 populations; and

19 (C) A description and the number of other housing units and
20 facilities created, under development, and planned, including
21 anticipated dates of completion.

22 (b) State agencies, commissions, and local governments subject to
23 this section must submit an annual report to the department providing
24 information about surplus properties that were sold in the most
25 recently completed fiscal year, including the information required in
26 (a) of this subsection necessary for the statewide surplus property
27 report.

28 (7) The following property is exempt from this chapter:

29 (a) Real property designated or previously acquired as state lands
30 as defined in RCW 79.02.010; and

31 (b) Lands acquired under restrictive conveyances.

32 (8) Nothing in this section is intended to limit the powers granted
33 in chapters 35.81, 35.82, and 35.83 RCW, or to prevent a selling entity
34 from using alternative processes for the sale or disposition of surplus
35 land for affordable housing purposes as long as those alternative
36 processes require that surplus land be used for affordable housing,
37 meeting, at a minimum, the standards required under this section.

1 **Sec. 3.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to read
2 as follows:

3 (1) Every city and town, including every code city operating under
4 Title 35A RCW, shall identify and catalog real property owned by the
5 city or town that is no longer required for its purposes, is available
6 for lease or sale, and is suitable for the development of affordable
7 housing for very low-income(~~(,)~~) and low-income(~~(, and moderate-~~
8 ~~income))~~) households as defined in RCW 43.63A.510. The inventory
9 (~~shall include the location, approximate size, and current zoning~~
10 ~~classification of the property. Every city and town shall provide a~~)
11 must include information required under RCW 43.63A.510(1), and the city
12 or town must provide an updated copy of the inventory to the department
13 of community, trade, and economic development (~~(by November 1, 1993,~~
14 ~~with inventory revisions each November 1 thereafter)~~) as required under
15 RCW 43.63A.510(1).

16 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
17 sale, which is suitable for affordable housing and is included in the
18 inventory as required by subsection (1) of this section, must be
19 offered exclusively to nonprofit housing organizations, as defined in
20 RCW 43.63A.510, and eligible public agencies, as defined in RCW
21 43.63A.510, as required in RCW 43.63A.510.

22 (3) Every city and town, including every code city operating under
23 Title 35A RCW, shall regularly purge the inventory of real property of
24 sites that are no longer available for the development of affordable
25 housing. The inventory revision (~~shall~~) must also contain a list of
26 real property that has become available since the last update.

27 (4) Every city and town must submit an annual report to the
28 department of community, trade, and economic development as required in
29 RCW 43.63A.510(6).

30 (5) As used in this section, "real property" means buildings, land,
31 or buildings and land.

32 **Sec. 4.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read
33 as follows:

34 (1) Every county shall identify and catalog real property owned by
35 the county that is no longer required for its purposes and is suitable
36 for the development of affordable housing for very low-income(~~(,)~~) and
37 low-income(~~(, and moderate-~~ income)) households as defined in RCW

1 43.63A.510. The inventory (~~shall include the location, approximate~~
2 ~~size, and current zoning classification of the property. Every county~~
3 ~~shall provide a))~~ must include information required under RCW
4 43.63A.510(1), and each county must provide an updated copy of the
5 inventory to the department of community, trade, and economic
6 development ((by November 1, 1993, with inventory revisions each
7 November 1 thereafter)) as required under RCW 43.63A.510(1).

8 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
9 sale, which is suitable for affordable housing and is included in the
10 inventory as required by subsection (1) of this section, must be
11 offered exclusively to nonprofit housing organizations, as defined in
12 RCW 43.63A.510, and eligible public agencies as defined in RCW
13 43.63A.510, as required in RCW 43.63A.510.

14 (3) Every county shall regularly purge the inventory of real
15 property of sites that are no longer available for the development of
16 affordable housing. The inventory revision shall include an updated
17 listing of real property that has become available since the last
18 update.

19 (4) Every county must submit an annual report to the department of
20 community, trade, and economic development as required in RCW
21 43.63A.510(6).

22 (5) As used in this section, "real property" means buildings, land,
23 or buildings and land.

24 **Sec. 5.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to
25 read as follows:

26 (1) The department shall identify and catalog real property that is
27 no longer required for department purposes and is suitable for the
28 development of affordable housing for very low-income(~~(7)~~) and
29 (~~moderate~~) low-income households as defined in RCW 43.63A.510. The
30 inventory ((shall include the location, approximate size, and current
31 zoning classification of the property. The department shall provide
32 a)) must include information required under RCW 43.63A.510(1), and the
33 department must provide an updated copy of the inventory to the
34 department of community, trade, and economic development ((by November
35 1, 1993, and every November 1 thereafter)) as required under RCW
36 43.63A.510(1).

1 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
2 sale, which is suitable for affordable housing and is included in the
3 inventory as required by subsection (1) of this section, must be
4 offered exclusively to nonprofit housing organizations, as defined in
5 RCW 43.63A.510, and eligible public agencies, as defined in RCW
6 43.63A.510, as required in RCW 43.63A.510.

7 (3) The department shall regularly purge the inventory of real
8 property of sites that are no longer available for the development of
9 affordable housing. The department shall include an updated listing of
10 real property that has become available since the last update.

11 (4) The department must submit an annual report to the department
12 of community, trade, and economic development as required in RCW
13 43.63A.510(6).

14 (5) As used in this section, "real property" means buildings, land,
15 or buildings and land.

16 **Sec. 6.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read
17 as follows:

18 (1) It is the intent of the legislature to continue the
19 department's policy giving priority consideration to abutting property
20 owners in agricultural areas when disposing of property through its
21 surplus property program under this section.

22 (2) Whenever the department determines that any real property owned
23 by the state of Washington and under the jurisdiction of the department
24 is no longer required for transportation purposes and that it is in the
25 public interest to do so, the department may sell the property or
26 exchange it in full or part consideration for land or improvements or
27 for construction of improvements at fair market value to any of the
28 following governmental entities or persons:

29 (a) In the case of property suitable for residential use, any
30 nonprofit housing organization, as defined in RCW 43.63A.510, and any
31 eligible public agency, as defined in RCW 43.63A.510;

32 **(b)** Any other state agency;

33 (~~(b)~~) **(c)** The city or county in which the property is situated;

34 (~~(c)~~) **(d)** Any other municipal corporation;

35 (~~(d)~~) **(e)** Regional transit authorities created under chapter
36 81.112 RCW;

1 ~~((e))~~ (f) The former owner of the property from whom the state
2 acquired title;

3 ~~((f))~~ (g) In the case of residentially improved property, a
4 tenant of the department who has resided thereon for not less than six
5 months and who is not delinquent in paying rent to the state;

6 ~~((g))~~ (h) Any abutting private owner, but only after each other
7 abutting private owner ~~((+))~~, if any~~((+))~~, as shown in the records of
8 the county assessor, is notified in writing of the proposed sale. If
9 more than one abutting private owner requests in writing the right to
10 purchase the property within fifteen days after receiving notice of the
11 proposed sale, the property shall be sold at public auction in the
12 manner provided in RCW 47.12.283;

13 ~~((h))~~ (i) To any person through the solicitation of written bids
14 through public advertising in the manner prescribed by RCW 47.28.050;

15 ~~((i))~~ (j) To any other owner of real property required for
16 transportation purposes;

17 ~~((j) In the case of property suitable for residential use, any
18 nonprofit organization dedicated to providing affordable housing to
19 very low income, low income, and moderate income households as defined
20 in RCW 43.63A.510 and is eligible to receive assistance through the
21 Washington housing trust fund created in chapter 43.185 RCW;))~~ or

22 (k) A federally recognized Indian tribe within whose reservation
23 boundary the property is located.

24 (3) Sales to purchasers may at the department's option be for cash,
25 by real estate contract, or exchange of land or improvements.
26 Transactions involving the construction of improvements must be
27 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,
28 and must comply with all other applicable laws and rules.

29 (4) Conveyances made pursuant to this section shall be by deed
30 executed by the secretary of transportation and shall be duly
31 acknowledged.

32 (5) Unless otherwise provided, all moneys received pursuant to the
33 provisions of this section less any real estate broker commissions paid
34 pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

35 **Sec. 7.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to
36 read as follows:

37 (1) The department shall identify and catalog real property that is

1 no longer required for department purposes and is suitable for the
2 development of affordable housing for very low-income(~~(7)~~) and low-
3 income(~~(7, and moderate income)~~) households as defined in RCW
4 43.63A.510. The inventory (~~shall include the location, approximate~~
5 ~~size, and current zoning classification of the property. The~~
6 ~~department shall provide a~~) must include information required under
7 RCW 43.63A.510(1), and the department must provide an updated copy of
8 the inventory to the department of community, trade, and economic
9 development (~~by November 1, 1993, and every November 1 thereafter~~) as
10 required under RCW 43.63A.510(1).

11 (2) (~~By November 1 of each year, beginning in 1994,~~) The
12 department shall regularly purge the inventory of real property of
13 sites that are no longer available for the development of affordable
14 housing. The department shall include an updated listing of real
15 property that has become available since the last update. (~~As used in~~
16 ~~this section, "real property" means buildings, land, or buildings and~~
17 ~~land.~~)

18 (3) The department must submit an annual report to the department
19 of community, trade, and economic development as required in RCW
20 43.63A.510(6).

21 (4) As used in this section, "real property" means buildings, land,
22 or buildings and land.

23 **Sec. 8.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to
24 read as follows:

25 (1) The department shall identify and catalog real property that is
26 no longer required for department purposes and is suitable for the
27 development of affordable housing for very low-income(~~(7)~~) and low-
28 income(~~(7, and moderate income)~~) households as defined in RCW
29 43.63A.510. The inventory (~~shall include the location, approximate~~
30 ~~size, and current zoning classification of the property. The~~
31 ~~department shall provide a~~) must include information required under
32 RCW 43.63A.510(1), and the department must provide an updated copy of
33 the inventory to the department of community, trade, and economic
34 development (~~by November 1, 1993, and every November 1 thereafter~~) as
35 required under RCW 43.63A.510(1).

36 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
37 sale, which is suitable for affordable housing and is included in the

1 inventory as required by subsection (1) of this section, must be
2 offered exclusively to nonprofit housing organizations, as defined in
3 RCW 43.63A.510, and eligible public agencies, as defined in RCW
4 43.63A.510, as required in RCW 43.63A.510.

5 (3) The department shall regularly purge the inventory of real
6 property of sites that are no longer available for the development of
7 affordable housing. The department shall include an updated listing of
8 real property that has become available since the last update.

9 (4) The department must submit an annual report to the department
10 of community, trade, and economic development as required in RCW
11 43.63A.510(6).

12 (5) As used in this section, "real property" means buildings, land,
13 or buildings and land.

14 **Sec. 9.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
15 read as follows:

16 (1) The department of general administration shall identify and
17 catalog real property that is no longer required for department
18 purposes and is suitable for the development of affordable housing for
19 very low-income(~~(7)~~) and low-income(~~(7, and moderate income)~~) households
20 as defined in RCW 43.63A.510. The inventory (~~(shall include the~~
21 ~~location, approximate size, and current zoning classification of the~~
22 ~~property. The department of general administration shall provide a)~~)
23 must include information required under RCW 43.63A.510(1), and the
24 department must provide an updated copy of the inventory to the
25 department of community, trade, and economic development (~~(by November~~
26 ~~1, 1993, and every November 1 thereafter)~~) as required under RCW
27 43.63A.510(1).

28 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
29 sale, which is suitable for affordable housing and is included in the
30 inventory as required by subsection (1) of this section, must be
31 offered exclusively to nonprofit housing organizations, as defined in
32 RCW 43.63A.510, and eligible public agencies, as defined in RCW
33 43.63A.510, as required in RCW 43.63A.510.

34 (3) The department of general administration shall regularly purge
35 the inventory of real property of sites that are no longer available
36 for the development of affordable housing. The department shall

1 include an updated listing of real property that has become available
2 since the last update.

3 (4) The department must submit an annual report to the department
4 of community, trade, and economic development as required in RCW
5 43.63A.510(6).

6 (5) As used in this section, "real property" means buildings, land,
7 or buildings and land.

8 **Sec. 10.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended
9 to read as follows:

10 (1) Any lands owned by the state parks and recreation commission,
11 which are determined to be surplus to the needs of the state for
12 development for state park purposes and which the commission proposes
13 to deed to a local government or other entity for outdoor recreation
14 purposes, shall be accompanied by a clause requiring that if the land
15 is not used for outdoor recreation purposes, ownership of the land
16 shall revert to the state parks and recreation commission.

17 ~~((The state parks and recreation commission,))~~ In cases where
18 land subject to ((such a reversionary clause is proposed for use or
19 disposal for purposes other than recreation, shall require that, if the
20 land)) reversion under subsection (1) of this section is surplus to the
21 needs of the commission for park purposes at the time the commission
22 becomes aware of its proposed use for nonrecreation purposes, the
23 ~~((holder of the land or property shall reimburse the commission for the~~
24 ~~release of the reversionary interest in the land. The reimbursement~~
25 ~~shall be in the amount of the fair market value of the reversionary~~
26 ~~interest as determined by a qualified appraiser agreeable to the~~
27 ~~commission. Appraisal costs shall be borne by the local entity which~~
28 ~~holds title to the land))~~ commission shall:

29 (a) Offer any surplus land for sale, which is suitable for
30 affordable housing and is included in the inventory as required by
31 section 12 of this act, exclusively to nonprofit housing organizations,
32 as defined in RCW 43.63A.510, and eligible public agencies, as defined
33 in RCW 43.63A.510, as required in RCW 43.63A.510. If no acceptable
34 purchase offers are made for the properties within the required initial
35 offer period, the properties may be disposed of by the method provided
36 in (b) of this subsection; and

1 (b) Except as provided in (a) of this subsection, dispose of
2 surplus properties subject to reversion under subsection (1) of this
3 section by the method provided in RCW 79A.05.175, or allow the holder
4 of the land or property to reimburse the commission for the release of
5 the reversionary interest in the land. The reimbursement must equal
6 the amount of the fair market value of the reversionary interest as
7 determined by a qualified appraiser agreeable to the commission.
8 Appraisal costs are borne by the local entity that holds title to the
9 land.

10 (3) Any funds generated under (~~(a reimbursement under)~~) this
11 section shall be deposited in the parkland acquisition account which is
12 hereby created in the state treasury. Moneys in this account are to be
13 used solely for the purchase or acquisition of property for use as
14 state park property by the commission, as directed by the legislature;
15 all such funds shall be subject to legislative appropriation.

16 **Sec. 11.** RCW 79A.05.175 and 1999 c 249 s 601 are each amended to
17 read as follows:

18 Whenever the commission finds that any land under its control
19 cannot advantageously be used for park purposes, it is authorized to
20 dispose of such land by the method provided in this section or by the
21 method provided in RCW 79A.05.170. If such lands are school or other
22 grant lands, control thereof shall be relinquished by resolution of the
23 commission to the proper state officials. If such lands were acquired
24 under restrictive conveyances by which the state may hold them only so
25 long as they are used for park purposes, they may be returned to the
26 donor or grantors by the commission. All (~~(other such)~~) lands, which
27 are suitable for affordable housing and are included in the inventory
28 as required by section 12 of this act, must be offered for sale
29 exclusively to nonprofit housing organizations, as defined in RCW
30 43.63A.510, and eligible public agencies, as defined in RCW 43.63A.510,
31 as required in RCW 43.63A.510. After the required initial offer
32 period, if no purchase offers are made on behalf of a nonprofit housing
33 organization or eligible public agency that meets the requirements of
34 RCW 43.63A.510(4), the commission may consider offers from the general
35 public, and these lands, along with all other lands, may be either sold
36 by the commission to the highest bidder or exchanged for other lands of
37 equal value by the commission, and all conveyance documents shall be

1 executed by the governor. All such exchanges shall be accompanied by
2 a transfer fee, to be set by the commission and paid by the other party
3 to the transfer; such fee shall be paid into the parkland acquisition
4 account established under RCW 79A.05.170. Sealed bids on all sales
5 shall be solicited at least twenty days in advance of the sale date by
6 an advertisement appearing at least once a week for two consecutive
7 weeks in a newspaper of general circulation in the county in which the
8 land to be sold is located. If the commission feels that no bid
9 received adequately reflects the fair value of the land to be sold, it
10 may reject all bids, and may call for new bids. All proceeds derived
11 from the sale of such park property shall be paid into the park land
12 acquisition account. All land considered for exchange shall be
13 evaluated by the commission to determine its adaptability to park
14 usage. The equal value of all lands exchanged shall first be
15 determined by the appraisals to the satisfaction of the commission. No
16 sale or exchange of state park lands shall be made without the
17 unanimous consent of the commission.

18 NEW SECTION. **Sec. 12.** A new section is added to chapter 79A.05
19 RCW to read as follows:

20 (1) The commission shall identify and catalog real property that is
21 no longer required for commission purposes, as described in RCW
22 79A.05.170 and 79A.05.175, and is suitable for the development of
23 affordable housing for very low-income and low-income households as
24 defined in RCW 43.63A.510. The inventory must include the information
25 required under RCW 43.63A.510(1), and the commission must provide an
26 updated copy of the inventory to the department of community, trade,
27 and economic development as required under RCW 43.63A.510(1).

28 (2) Property for sale, which is suitable for affordable housing and
29 is included in the inventory as required by subsection (1) of this
30 section, must be offered exclusively to nonprofit housing
31 organizations, as defined in RCW 43.63A.510, and eligible public
32 agencies, as defined in RCW 43.63A.510, as required in RCW 43.63A.510.

33 (3) The commission shall regularly purge the inventory of real
34 property of sites that are no longer available for the development of
35 affordable housing. The commission must include an updated listing of
36 real property that has become available since the last update.

1 (4) The commission must submit an annual report to the department
2 of community, trade, and economic development as required in RCW
3 43.63A.510(6).

4 (5) As used in this section, "real property" means buildings, land,
5 or buildings and land.

6 **Sec. 13.** RCW 79.11.005 and 2003 c 334 s 201 are each amended to
7 read as follows:

8 (1) The department is authorized to sell (~~(any real property not~~
9 ~~designated or acquired as)~~) state forest lands(~~(, but)~~) as defined in
10 RCW 79.02.010 and other lands acquired by the state, either in the name
11 of the forest board, the forestry board, or the division of forestry,
12 for administrative sites, lien foreclosures, or other purposes whenever
13 it (~~shall~~) determines that the lands are no longer or not necessary
14 for public use.

15 (2) Property for sale, which is suitable for affordable housing and
16 is included in the inventory as required by section 15 of this act,
17 must be offered exclusively to nonprofit housing organizations, as
18 defined in RCW 43.63A.510, and eligible public agencies, as defined in
19 RCW 43.63A.510, as required in RCW 43.63A.510. After the required
20 initial offer period, if no acceptable purchase offers are made on
21 behalf of a nonprofit housing organization or eligible public agency
22 that meets the requirements of RCW 43.63A.510(4), the department may
23 consider offers from the general public and sales to the general public
24 may be conducted under subsection (3) of this section. For all
25 properties for sale not included in the inventory as required by
26 section 15 of this act, the department may immediately consider offers
27 from the general public and sales to the general public may be
28 conducted under subsection (3) of this section.

29 (3) The sale of property to the general public may be made after
30 public notice to the highest bidder for such a price as approved by the
31 governor, but not less than the fair market value of the real property,
32 plus the value of improvements thereon. Any instruments necessary to
33 convey title must be executed by the governor in a form approved by the
34 attorney general.

35 (~~(+3)~~) (4) All amounts received from (~~the sale~~) all sales must
36 be credited to the fund of the department of government that is
37 responsible for the acquisition and maintenance of the property sold.

1 **Sec. 14.** RCW 79.22.060 and 2003 c 334 s 221 are each amended to
2 read as follows:

3 (1) Except as provided in subsection (2) of this section, with the
4 approval of the board, the department may directly transfer or dispose
5 of state forest lands without public auction, if such lands consist of
6 ten contiguous acres or less, or have a value of twenty-five thousand
7 dollars or less. Such disposal may only occur in the following
8 circumstances:

9 (a) Transfers in lieu of condemnation; and

10 (b) Transfers to resolve trespass and property ownership disputes.

11 (2) Property suitable for affordable housing, which is included in
12 the inventory as required by section 15 of this act, must be offered
13 exclusively to nonprofit housing organizations, as defined in RCW
14 43.63A.510, and eligible public agencies, as defined in RCW 43.63A.510,
15 as required in RCW 43.63A.510. After the required initial offer
16 period, if no purchase offers are made on behalf of a nonprofit housing
17 organization or eligible public entity that meets the requirements of
18 RCW 43.63A.510, the property may be transferred or sold as described in
19 subsection (1) of this section.

20 (3) Real property to be transferred or disposed of under this
21 section shall be transferred or disposed of only after appraisal and
22 for at least fair market value, and only if such transaction is in the
23 best interest of the state or affected trust.

24 ~~((3))~~ (4) The proceeds from real property transferred or disposed
25 of under this section shall be deposited into the park land trust
26 revolving fund and be solely used to buy replacement land within the
27 same county as the property transferred or disposed.

28 **NEW SECTION. Sec. 15.** A new section is added to chapter 43.30 RCW
29 to read as follows:

30 (1) The department of natural resources shall identify and catalog
31 real property that is no longer required for department purposes and is
32 suitable for the development of affordable housing for very low-income
33 and low-income households as defined in RCW 43.63A.510. The inventory
34 must include the information required under RCW 43.63A.510(1), and the
35 department must provide an updated copy of the inventory to the
36 department of community, trade, and economic development as required
37 under RCW 43.63A.510(1).

1 (2) Property for sale, which is suitable for affordable housing and
2 is included in the inventory as required by subsection (1) of this
3 section, must be offered exclusively to nonprofit housing
4 organizations, as defined in RCW 43.63A.510, and eligible public
5 agencies, as defined in RCW 43.63A.510, as required in RCW 43.63A.510.

6 (3) The department shall regularly purge the inventory of real
7 property of sites that are no longer available for the development of
8 affordable housing. The department shall include an updated listing of
9 real property that has become available since the last update.

10 (4) The department must submit an annual report to the department
11 of community, trade, and economic development as required in RCW
12 43.63A.510(6).

13 (5) As used in this section, "real property" means buildings, land,
14 or buildings and land.

15 **Sec. 16.** RCW 28A.335.120 and 2006 c 263 s 913 are each amended to
16 read as follows:

17 (1) The board of directors of any school district of this state
18 may:

19 (a) Sell for cash, at public or private sale, and convey by deed
20 all interest of the district in or to any of the real property of the
21 district which is no longer required for school purposes as described
22 under subsection (2) of this section; and

23 (b) Purchase real property for the purpose of locating thereon and
24 affixing thereto any house or houses and appurtenant buildings removed
25 from school sites owned by the district and sell for cash, at public or
26 private sale, and convey by deed all interest of the district in or to
27 such acquired and improved real property.

28 (2)(a) When the board of directors of any school district proposes
29 a sale of school district real property pursuant to this section and
30 the property for sale is suitable for the development of affordable
31 housing, the property must be offered exclusively to nonprofit housing
32 organizations, as defined in RCW 43.63A.510, and eligible public
33 agencies, as defined in RCW 43.63A.510, as required in RCW 43.63A.510.
34 If the property for sale is not suitable for the development of
35 affordable housing, or if after the required initial offer period no
36 acceptable purchase offers are made on behalf of a nonprofit housing

1 organization or eligible public agency that meets the requirements of
2 RCW 43.63A.510, the property may be sold as described in (b) of this
3 subsection.

4 (b) If the value of the property exceeds seventy thousand dollars,
5 the board shall publish a notice of its intention to sell the property.
6 The notice shall be published at least once each week during two
7 consecutive weeks in a legal newspaper with a general circulation in
8 the area in which the school district is located. The notice shall
9 describe the property to be sold and designate the place where and the
10 day and hour when a hearing will be held. The board shall hold a
11 public hearing upon the proposal to dispose of the school district
12 property at the place and the day and hour fixed in the notice and
13 admit evidence offered for and against the propriety and advisability
14 of the proposed sale.

15 (3) The board of directors of any school district desiring to sell
16 surplus real property shall publish a notice in a newspaper of general
17 circulation in the school district. School districts shall not sell
18 the property for at least forty-five days following the publication of
19 the newspaper notice.

20 (4) Private schools shall have the same rights as any other person
21 or entity to submit bids for the purchase of surplus real property and
22 to have such bids considered along with all other bids.

23 (5) Any sale of school district real property authorized pursuant
24 to this section shall be preceded by a market value appraisal by a
25 professionally designated real estate appraiser as defined in RCW
26 74.46.020 or a general real estate appraiser certified under chapter
27 18.140 RCW selected by the board of directors and no sale shall take
28 place if the sale price would be less than ninety percent of the
29 appraisal made by the real estate appraiser: PROVIDED, That if the
30 property has been on the market for one year or more the property may
31 be reappraised and sold for not less than seventy-five percent of the
32 reappraised value with the unanimous consent of the board.

33 (6) If in the judgment of the board of directors of any district
34 the sale of real property of the district not needed for school
35 purposes would be facilitated and greater value realized through use of
36 the services of licensed real estate brokers, a contract for such
37 services may be negotiated and concluded: PROVIDED, That the use of a
38 licensed real estate broker will not eliminate the obligation of the

1 board of directors to provide the notice described in this section:
2 PROVIDED FURTHER, That the fee or commissions charged for any broker
3 services shall not exceed seven percent of the resulting sale value for
4 a single parcel: PROVIDED FURTHER, That any professionally designated
5 real estate appraiser as defined in RCW 74.46.020 or a general real
6 estate appraiser certified under chapter 18.140 RCW selected by the
7 board to appraise the market value of a parcel of property to be sold
8 may not be a party to any contract with the school district to sell
9 such parcel of property for a period of three years after the
10 appraisal.

11 (7) If in the judgment of the board of directors of any district
12 the sale of real property of the district not needed for school
13 purposes would be facilitated and greater value realized through sale
14 on contract terms, a real estate sales contract may be executed between
15 the district and buyer.

16 (8) All school districts must submit an annual report to the county
17 that includes information about all surplus properties that were sold
18 in the most recently completed fiscal year. The report must include
19 all information required in RCW 43.63A.510(6). The county must include
20 this information in the annual report required in RCW 36.34.137.

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